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Agenda item 121
Proposed programme budget for the biennium 2000-2001

International Trade Centre UNCTAD/WTO

Seventh report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the proposed programme budget for the biennium 2000-2001 for the International Trade Centre UNCTAD/WTO.[1] The report is being submitted pursuant to the procedure described in paragraph IV.61 of the first report of the Advisory Committee on the proposed programme budget for the biennium 2000-2001.[2]

2. As indicated in paragraphs 11B.3 and 11B.4 and table 11B.1 of the budget report, the contribution of the United Nations to the proposed programme budget of the International Trade Centre UNCTAD/WTO (ITC) for the biennium 2000-2001 amounts to $19,980,000 (Sw F 29,170,800), representing an increase of 1.3 per cent over the 1998-1999 appropriation. The Advisory Committee notes from paragraph 11B.3 that the increase is due mainly to the proposal to establish two posts at the P-4 level.

3. The Advisory Committee also notes from the report that agreement has been reached between the United Nations and the World Trade Organization (WTO) on the proposed programme budget for ITC, including the request for the two new P-4 posts. The Committee recommended acceptance of the proposal. However, as indicated in paragraph 11B.5, no agreement has been arrived at between the United Nations and WTO to reclassify two P-3 posts to the P-4 level and one P-2 post to the P-3 level. The Committee notes from the report that no submission from the Secretary-General has been made to reclassify the posts. The Committee also notes from paragraph 11B.6 that WTO has not yet finalized its position on the reclassification of the three posts.

4. The Advisory Committee expresses its concern at the disagreement between the United Nations and WTO on the reclassification of the three posts. In the opinion of the Committee, there is a need for a consistent approach in budgetary matters and in determining actual post requirements, due regard being paid to the specific requirements of each organization. In this connection, the Committee requests both organizations to review the matter, bearing in mind the expressed needs of ITC. The results of the review should be submitted to the General Assembly in the context of the first performance report on the programme budget for 2000-2001.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 6A* (A/54/6/Rev.1/Add.1).

[2] Ibid., *Supplement No. 7* (A/54/7).

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Programme budget for the biennium 1998-1999

Second performance report

Eighth report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the second report of the Secretary-General on the performance of the programme budget of the United Nations for the biennium 1998-1999 (A/54/631). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General who provided it with additional information and clarification.

2. The Advisory Committee notes that, as in the past, the scope of the report is financial only and will be supplemented by a report on programme implementation, which will be submitted for consideration by the Committee for Programme and Coordination and the General Assembly. In this regard, the Committee recalls its observation that the goal of performance reporting should be to relate financial data to programme performance, and that additional efforts should be made by the Secretariat to consider, in the long term, combining the two sides of budget performance into a single performance report (see A/52/742, para. 1).

3. The Advisory Committee notes from paragraph 1 of the performance report that the anticipated final level of expenditure and of income for the biennium represents a net decrease of $35.3 million compared with the revised appropriations and estimates of income approved by the General Assembly in its resolution 53/215 of 18 December 1998. The projected expenditure for the biennium 1998-1999 is estimated at $2,488.3 million gross, which reflects a decrease of $41.6 million. The projected income is estimated at $356.4 million, which reflects a decrease of $6.3 million compared with the revised income estimates of $362.7 million for the biennium.

4. As indicated in paragraph 1 of the report, the anticipated final expenditure and income figures for the biennium 1998-1999 are based on actual expenditures for the first 20 months, projected requirements for the last 4 months and changes in inflation and exchange rates and cost-of-living adjustments as compared with the assumptions made in the first performance report (A/53/693). The Advisory Committee welcomes the fact that actual expenditures are provided for a longer period of time compared with the performance report for the biennium 1996-1997, which was based on actual expenditures for the first 18 months and projected requirements for the last 6 months. The Committee reiterates its recommendation that the Secretariat should attempt to base performance reporting on actual expenditures for the first 21 months (see A/52/742, para. 10).

5. As can be seen from paragraph 2 of the performance report, the net reduction in requirements of $35.3 million reflects the combined effect of: (a) projected additional

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requirements of $4.8 million resulting from commitments entered into in accordance with the provisions of General Assembly resolution 52/223 of 22 December 1997 on unforeseen and extraordinary expenses and commitments arising from the administrative and programme budget implications of Commission on Human Rights resolution 1999/S-4/1 (see E/1999/L.59) endorsed by the Economic and Social Council in its decision 1999/293; and (b) reductions of $40.1 million due to changes in exchange rate assumptions ($17.2 million), changes in inflation assumptions ($2.0 million), variations in posts and common staff costs ($12.3 million) and adjustments to objects of expenditure other than posts, based on actual anticipated requirements ($14.9 million), which were partially offset by a decrease of $6.3 million in income.

6. As indicated in paragraph 3 of the report, in view of the chronic cash shortage of the Organization, the Secretary-General proposes to suspend the provisions of financial regulations 4.3, 4.4 and 5.2(d) in respect of surpluses arising at the end of the financial period 1998-1999. The Advisory Committee was informed, upon enquiry, that this palliative measure had been used on a number of occasions in the past. In its resolutions 2947 A and B (XXVII) of 8 December 1972, 36/116 B of 10 December 1981, 40/241 B of 18 December 1985 and 42/216 A of 21 December 1987, the General Assembly decided to suspend the provisions of financial regulations 4.3, 4.4 and 5.2 (d) in respect of the surpluses under the regular budget arising at the end of 1972 and at the end of the 1980-1981, 1982-1983, 1984-1985 and 1986-1987 bienniums as well as the surplus described in the second performance report for the biennium 1986-1987 (A/C.5/42/40). Information on the amount of authorized retained surpluses is contained in the report of the Board of Auditors for the biennium ended 31 December 1997.[1]

7. The Advisory Committee points out that the net reduced requirement of $35.3 million for the biennium 1998-1999 represents only a theoretical surplus since the related cash is not available to the Organization, owing to non-payment or late payment of assessed contributions by Member States. Therefore, the only means by which such an amount could be returned to Member States is by a credit against their future assessment, thereby further reducing the cash available to the Organization. On the other hand, the Committee was informed that suspension of these financial regulations can only be regarded as a temporary palliative for the financial difficulties of the Organization, since the amounts so realized must be returned to Member States at some point, that is, when the financial situation of the Organization permits. The Committee has pointed out a number of times in the past that the only way to solve the financial crisis of the United Nations is for all Member States to pay their assessment in full and on time. In this connection, the Committee requests the Secretary-General to deliver a clear statement of the current cash-flow situation to the Fifth Committee during its current consideration of this matter. The Advisory Committee also requests the Secretary-General to present a complete analysis of the impact of a suspension of these financial regulations on all Member States, and in particular on those which have paid their assessments in full and on time, and to provide the results to the Fifth Committee during its current consideration of the present report.

8. The reduced requirement of $19.2 million relating to changes in exchange rate and inflation assumptions is explained in paragraphs 6 to 11 of the performance report, and the details regarding the assumed and actual rates of exchange are contained in schedules 4 and 5 of the report; table 1 provides information on exchange rate and inflation changes by duty station.

9. The total additional requirements of $4,770,000 relating to commitments entered into by the Secretary-General under the provisions of General Assembly resolution 52/223 ($4,216,500) and commitments arising from the administrative and programme budget implications of Commission on Human Rights resolution 1999/S-4/1 ($553,500) are discussed in paragraphs 12 to 15 of the performance report. In this connection, the Advisory Committee draws attention to its recommendation that, for activities relating to the maintenance of peace and security, the authority of the Secretary-General to commit without the prior concurrence of the Committee be increased from $5 million to $8 million (see A/54/7/Add.5, para. 7).

10. The Advisory Committee reiterates its recommendation that future performance reports indicate the amount of unliquidated obligations included in estimated expenditures for the biennium (see A/52/742, para. 11).

11. Information on the total reduction of $27.2 million due to variations in posts and common staff costs and adjustments to objects of expenditure other than posts is contained in paragraphs 16 to 34 and schedules 2, 3 and 8 of the performance report. As indicated in paragraph 19, the budgeted vacancy rate was 10 per cent for the Professional category and above and 2.5 per cent for the General Service for the first year of the biennium and 5 per cent for the Professional category and above and 2.5 per cent for the General Service for the second year of the biennium. However, the 1999 realized level of vacancies, on the basis of experience from January to September 1999, amounted to 9 per cent for the Professional category and above and 1.8

per cent for the General Service. The Secretary-General indicates in paragraph 22 (b) of the report that the variation between the budgeted and realized vacancy rates for large budget sections with exceptionally high vacancy rates, such as 2A, 7A, 11A, 16 and 20, reflects normal attrition and retirements that have not been compensated for by recruitment activity of similar magnitude or speed to address those situations.

12. In this connection, the Advisory Committee requested information on the reasons for persistent high vacancies, including any continued impact of past recruitment freezes, and sought assurance that vacancies were not being used to achieve budgetary savings, consistent with the requirements outlined in section II, paragraph 23, of General Assembly resolution 52/220 of 22 December 1997. This information should be provided to the Fifth Committee during its current consideration of this matter (see also the Advisory Committee's observations in A/53/7/Add.8, para. 8.

13. The Advisory Committee was also informed during its deliberations of a "cascade" effect in which vacancies are filled by internal candidates through promotion, which in turn triggers several vacancies at lower levels, possibly resulting in delays in filling vacancies. With reference to paragraph 23 of the performance report, the Committee believes that the Office of Human Resources Management should take special measures on an urgent basis to address the problem of high vacancy rates. Moreover, the Committee points out that with proper planning and streamlining of personnel practices and procedures, the vacancy situation could be improved.

14. The Advisory Committee was informed that a lower than anticipated vacancy rate had contributed to a reduction in requirements for temporary assistance in some budget sections. For example, average actual vacancy rates, as at 30 September 1999, of 2.3 per cent for the Professional category and above and 0.5 per cent for the General Service category under section 1B, General Assembly affairs and conference services, resulted in additional requirements of $11.7 million under posts and reduced requirements of $7.0 million under other staff costs, that is, mostly temporary assistance. The Committee requests the Secretariat to provide a more detailed analysis of the $7.0 million savings under section 1B to the Fifth Committee during its current consideration of this matter so as to allow it to determine whether or not these savings had affected the delivery of conference services, a matter upon which the Advisory Committee has previously expressed serious concern (see A/54/7/Add.5, paras. 20-24).

15. The Advisory Committee notes from paragraph 28 of the performance report that additional requirements of $4.3 million at the United Nations Office at Vienna relate to reduced reimbursement mainly from the translation and associated reproduction and distribution requirements of the United Nations Industrial Development Organization and to a lesser extent from the International Atomic Energy Agency. The Committee is concerned about what appears to be underutilization of the conference-servicing capacity of the United Nations Office at Vienna. The Committee requests that this issue be analysed with a view to increasing the efficiency of conference services at Vienna, taking due account of facilities available at other United Nations centres. The results of the analysis should be reported to the General Assembly as soon as possible.

16. The Advisory Committee welcomes the inclusion in the performance report of information on compensation arising from judgements of the United Nations Administrative Tribunal in the amount of a total of $387,143; a breakdown is contained in schedule 9 of the report.

17. The Advisory Committee notes from the report that it does not identify any savings resulting from efficiency measures that could be transferred to the Development Account in accordance with established procedures. The Committee is of the view that the explanation of some reduced requirements in paragraphs 29 to 31 of the report appears to suggest that these may result from efficiency gains. The Committee requests that the Secretary-General provide a clarification of this matter to the Fifth Committee. The Advisory Committee's comments and observations on the issues relating to the Development Account are reflected in document A/54/7/Add.8.

Notes

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5* and corrigendum (A/53/5 and Corr.1), vol. I, pp. 167-168.

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Projects to be funded from the resources proposed under section 33, Development Account, of the proposed programme budget for the biennium 2000-2001

Ninth report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/54/37) on the projects to be financed from the resources proposed under section 33 of the proposed programme budget for the biennium 2000-2001.[1] During its consideration of the report, the Committee met with the Under-Secretary-General for Economic and Social Affairs and other representatives of the Secretary-General who provided additional information.

2. The Advisory Committee recalls that the General Assembly, in its resolution 54/15 of 29 October 1999, decided to establish a special multi-year account for supplementary development activities based on the priority objectives of the approved medium-term plan, and provided the guidelines for the operation of the account. In its resolutions 53/220 A of 7 April 1999 and 53/220 B of 8 June 1999, the Assembly approved the financing of seven projects from the resources of $13,065,000 under section 34, Development Account, of the programme budget for the biennium 1998-1999.

3. As indicated in paragraph 2 of the report of the Secretary-General, the total cost of the seven projects amounted to $12,945,000, leaving a balance of $120,000. The Advisory Committee was further informed that implementation of these projects started in July 1999, after the respective allotments were issued. The Committee recalls that the annual report of the first year of operation of the Development Account should be submitted for consideration by the General Assembly, through the Advisory Committee, in May 2000.

4. During its consideration of this issue, the Advisory Committee discussed the support provided by the Department of Economic and Social Affairs in the elaboration of the projects in question as well as in the implementation of some of them. The Committee trusts that this will not lead to the establishment of a structure within the Department in this regard. The Committee was also informed by the Under-Secretary-General of his awareness of the need to strengthen the monitoring and evaluation functions, so as better to measure the results achieved by the projects funded from the Development Account. The Committee further notes that in the absence of an agreement on performance indicators, the benchmarks used to measure the performance of the projects are the criteria set out by the

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General Assembly in its resolutions 53/220 A and B (see para.8 below).

5. The proposed programme budget for the biennium 2000-2001 includes a provision of $13,065,000, the same level as for the biennium 1998-1999, under section 33, Development Account.[1] The Advisory Committee recalls that the Secretary-General, in his introduction to the report, indicates that information regarding initiatives by programme managers to improve productivity and enhance the quality of programme performance was not included because developments precluded such a procedure.[2] However, once the General Assembly completed its consideration of matters related to the Development Account, he would be in a position to report on the specific measures he would intend to apply in the context of implementing the budget for the biennium 2000-2001. As indicated in paragraph 2 above, the Assembly established the Development Account and the modalities for its use and operation in resolution 54/15. Upon inquiry, the Advisory Committee was informed that the Secretary-General would therefore be able to submit his report in the spring of 2000.

6. The Secretary-General, in A/C.5/54/37, proposes to utilize the resources under section 33 of the proposed programme budget for 2000-2001 for the implementation of 16 projects whose total costs amount to $13,185,000, inclusive of the balance of $120,000 from the biennium 1998-1999, mentioned in paragraph 3 above. The Committee recalls that, in the context of its report A/53/7/Add.4, it had recommended that the proposed programme budget for 2000-2001 should include proposals for the full use of resources under the account, including any carry-over balance.

7. The Committee notes that the estimates shown in relation to the projects are indicative in nature and do not represent the exact amounts. Detailed estimates, which govern the expenditures of each project, are finalized at the time the allotments are issued.

8. The Advisory Committee commends the Secretary-General for the clarity and quality of the presentation of the projects proposed for implementation in document A/C.5/54/37. The Committee notes that the projects have been formulated on the basis of the guidelines and criteria set out by the General Assembly in its resolutions 53/220 A and B. According to those criteria, emphasis is to be placed on the promotion of development activities that, in their implementation, demonstrate the benefits accruing in building national capacities, particularly in developing countries and countries with economies in transition; utilize the technical, human and other resources available in the developing countries; have multiplier effects and promote capacity-building in developing countries; and promote regional and interregional economic and technical cooperation among developing countries.

9. From the financial aspect, the Advisory Committee agrees with the proposals made by the Secretary-General in A/C.5/54/37 and recommends that the General Assembly approve them. The Advisory Committee is aware, in this instance, of the delay in the submission of the proposal for development projects to be funded under section 33 of the programme budget. However, the Committee recommends that, in future, a summary of project proposals be submitted to the Committee on Programme and Coordination, for their comments on the programmatic aspects of the proposal, before submission of fully detailed proposals for consideration by the Advisory Committee, which would make its recommendations to the General Assembly (Fifth Committee) on the financial aspect of the proposals. The Committee also recommends that the proposal be submitted to the Second Committee for their comments on the substance of the projects. The General Assembly would then be in a position to approve the development projects to be funded under section 33, Development Account, in conjunction with its approval of the programme budget for the biennium.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 6* (A/54/6/Rev.1).

[2] Ibid., vol. I, para. 43.

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Revised estimates: effect of changes in rates of exchange and inflation

Tenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/54/623) containing revised estimates resulting from the effect of changes in rates of exchange and inflation as well as the addendum to the report (A/54/623/Add.1) which updates the information contained in the report.

2. The impact of the proposed recosting on the proposed programme budget for 2000-2001[1] is a net decrease of $93,396,300 under the expenditure sections from $2,655,362,400 to $2,561,966,100 and a decrease of $6,611,200 under the income sections from $370,435,700 to $363,824,500. The net decrease under the expenditure sections of $93.4 million reflects a combined effect of reduced requirements of $5.8 million attributable to adjustments to the initial proposed programme budget recommended by the Advisory Committee, $92.8 million resulting from revised exchange rates assumptions and an increase of $5.2 million in respect of inflation.

3. The Advisory Committee notes that for the first time, the Secretariat has included in the recosting exercise the adjustments to the proposed programme budget resulting from the recommendations of the Advisory Committee; these have yet to be acted upon by the General Assembly. The Advisory Committee points out that the table following paragraph 11 of the report of the Secretary-General (A/54/623) contains an error: the recommendation of the Advisory Committee on the redeployment of a P-2 post from subprogramme 5 to subprogramme 1 within section 11A, Trade and development, should not have been included in the table, since it does not entail financial implications. This error, therefore, does not have any bearing on the proposed revision to the proposed programme budget for the biennium 2000-2001.

4. As indicated in paragraphs 1 to 3 of the addendum to the report (A/54/623/Add.1), the initial recosting reflected in the main report was based on data available up to November 1999, while the addendum provides the updated recosting based on the December 1999 United Nations operational rates of exchange and associated movements on the post adjustment indices.

5. The Advisory Committee has found no technical basis for objecting to the Secretary-General's revised estimates arising from the recosting of the effects of changes in rates of exchange and inflation and, accordingly, transmits them to the Fifth Committee for consideration.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 6* (A/54/6/Rev.1).

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Estimates in respect of matters of which the Security Council is seized

Eleventh report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/54/39) on estimates in respect of eight political missions of which the Security Council is seized: United Nations Political Office in Bougainville, United Nations Office in Burundi, United Nations assistance to the facilitator of the Burundi peace process, United Nations Political Office for Somalia, United Nations Peace-building Support Office in Liberia, United Nations Office in Angola, Security Council expert panels on Angola and Special Envoy of the Secretary-General in Africa. During its consideration of the matter, the Committee met with representatives of the Secretary-General, who provided additional information.

2. The Committee notes that the report of the Secretary-General is being submitted in the context of actions taken by the Security Council regarding good offices, preventive diplomacy and post-conflict peace-building missions. These actions have been taken on the basis of requests from Governments and/or recommendations of the Secretary-General. As indicated in paragraphs 2 and 3 of the report, five of the missions were established before 1998. Resource requirements for those missions were incorporated in the initial appropriation and subsequently the revised appropriation of the programme budget for the biennium 1998-1999 in accordance with the provisions of General Assembly resolution 41/213 of 19 December 1986. The other three were newly authorized during the biennium 1998-1999.

3. As indicated in paragraph 38 of the report, the total cost of the activities described in the report is estimated at $9,964,500. In accordance with General Assembly resolution 53/206 of 18 December 1998, a provision has been included in the proposed programme budget for the biennium 2000-2001 for special political missions related to peace and security that are expected to be extended or approved during the course of the biennium. Accordingly, the Assembly is requested to approve the amount of $9,964,500 against the provision for special political missions under section 3 (Political affairs) of the proposed programme budget for the biennium 2000-2001 (see A/54/6/Rev.1, vol. II).

4. The Committee commends the Secretariat for the report, which in its opinion introduces elements of transparency with regard to staff costs and operational expenditures for the special political missions. The Committee notes that the initial estimates in the proposed programme budget for the biennium 2000-2001 contained little detail concerning the estimated requirements for special political missions.

5. Upon enquiry, the Committee was informed that the total that would be charged thus far against the provision for

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special political missions under General Assembly resolution 53/206 amounted to $55,363,100.

6. The Committee requests that future reports on the subject include a consolidated table of requirements by object of expenditure, as well as an indication of the decrease or increase with relation to the previous biennium.

7. The Committee notes that a total of 138 staff are requested for the biennium 2000-2001. In its opinion, table 2, which sets out the staffing requirements in each mission, is misleading because it does not show the total staffing levels for the previous biennium. Furthermore, there are some inconsistencies, such as in the case of local staff for the United Nations Political Office in Bougainville. In table 2, it is indicated that the current level of two local staff would be maintained, but in paragraph 18 there is an indication that there will be a reduction in the number of local staff from three to two. In connection with staffing, the Committee notes that resources are being requested in only one mission for the full biennium. In the opinion of the Committee, staffing requirements in future reports should be calculated in person-months and the previous staffing authorization shown in full.

8. The Advisory Committee also requests that the next report include information to indicate which of the missions that were included in the report were previously in place and which missions had been terminated since the last report. The Committee requests the Secretary-General to monitor carefully the continuation of special political missions. If he determines that a mission is likely to go beyond the biennium, requirements should be included in the initial estimates for the next biennium.

9. Bearing in mind the above comments and conclusions, the Committee recommends that the General Assembly approve the charge of total requirements of $9,964,500 for the eight missions against the provision for special political missions requested under section 3 (Political affairs) of the proposed programme budget for the biennium 2000-2001.

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Revised estimates under sections 3 (Political affairs) and 5 (Peacekeeping operations)

Twelfth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General contained in document A/C.5/54/40 on the revised estimates under sections 3 (Political affairs) and 5 (Peacekeeping operations) of the proposed programme budget for the biennium 2000-2001, resulting from the new mandates of the United Nations Special Coordinator for the Middle East Peace Process and the Secretary-General's Personal Representative to the Palestine Liberation Organization and the Palestinian Authority. During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided it with additional information and clarifications.

2. According to the Secretary-General, the United Nations Special Coordinator for the Middle East Peace Process and his Personal Representative to the Palestine Liberation Organization and the Palestinian Authority will encompass the previous functions and responsibilities of the Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO) and will also be the focal point for overall United Nations assistance to the Middle East peace process. Paragraphs 4 to 6 of the Secretary-General's report provide details on the functions and responsibilities of the Special Coordinator.

3. The Committee notes that, in addition to the provision for UNSCO already included in the proposed programme budget for 2000-2001, the estimated additional costs arising from the new mandates of the Special Coordinator amount to $3,755,800 for the biennium 2000-2001. These estimates provide for 19 additional regular budget posts (5 P-5, 7 P-3, 1 Field Service, 3 Security and Safety and 3 Local level), a reclassification of the post of the current Deputy Special Coordinator from the D-1 to the D-2 level and other non-staff requirements, including $49,600 for consultants and experts, $252,100 for travel, $292,300 for general operating expenses, $9,000 for hospitality and $96,400 for supplies and materials. Supplementary information on activities to be undertaken by the new office and its staffing requirements are shown in annex II to the report (A/C.5/54/40). Upon request, the Committee was provided with a revised version of annex III, section A of the Secretary-General's report, giving a clearer description of requirements; it is contained in the annex to the present report.

4. The Secretary-General indicates in paragraph 10 of his report that as the activities of the Office fall under the programme of Political Affairs, it is proposed that resources in the proposed programme budget for the biennium 2000-2001 related to the activities of the United Nations Special Coordinator currently in section 5 (Peacekeeping

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operations) be transferred to section 3 (Political affairs). Consequently, the Office will be partly financed from existing provisions in the proposed programme budget for 2000-2001 and partly charged against the provision proposed for special political missions under section 3 (Political affairs) of the proposed programme budget for the biennium 2000-2001, pursuant to General Assembly resolution 53/206.

5. Upon inquiry, the Committee was informed that the proposals contained in document A/C.5/54/40 were made to align the resources under the section of the programme budget which had the responsibility for the activities in question. In the medium-term plan for the period 1998-2001, the Department of Political Affairs carries out activities related to the prevention, control and resolution of conflicts and assistance and support to the Secretary-General in the political aspects of his relations with Member States. Accountability at the intergovernmental levels with respect to political missions is the responsibility of the Department of Political Affairs. On that basis and in order to reflect activities under the section undertaking the programme of work as defined in the medium-term plan, all resources previously budgeted under section 5 related to the activities of the Special Coordinator are proposed to be transferred from section 5 to section 3, i.e., under the section where the Department of Political Affairs is located. Moreover, the Committee was informed that in future proposed programme budgets, all special political missions, including UNSCO, will be proposed under the section where the Department is located; all requirements for the full implementation of the mandates of the special political missions should be budgeted accordingly. The Committee recalls its observations in paragraph II.7 of its first report on the proposed programme budget for 2000-2001 on the management of resources for special political missions.

6. The Committee notes from annex I of the report that the revised estimates for UNSCO provide also for the establishment of 14 extrabudgetary posts (1 D-1, 1 P-5, 4 P-3 and 8 Local level). The distribution of these posts is reflected in the organigramme of the Office of the United Nations Special Coordinator (see A/C.5/54/40, annex IV).

7. Upon inquiry, the Committee was informed that with the exception of the D-1 post in the United Nations Affairs Unit, the remaining 13 extrabudgetary posts are project personnel, the cost of which is included under the budget line "Grants and contributions" in annex I, section A.2, "Extrabudgetary resources", of the report (A/C.5/54/40). The Committee points out that the presentation of staffing requirements for the Office of the United Nations Special Coordinator should have been made in conformity with the structure of relevant tables of the proposed programme budget for the biennium 2000-2001 and that requirements for extrabudgetary posts should have been fully explained and justified.

8. Upon request, the Committee was informed that an amount of $250,000 is available in the trust fund for activities related to UNSCO. In addition, one Government had indicated that it would contribute an additional $2 million towards the funding of technical advisory service in the area of socio-economic development.

9. Taking into account the comments and observation in the paragraphs above, the Committee has no objection to the Secretary-General's proposal that a provision of $3,755,800 be charged against the provision proposed for special political missions under section 3 (Political affairs) of the proposed programme budget for the biennium 2000-2001 (including the reclassification of a D-1 post to the D-2 level) and that the related provision for UNSCO already included in the proposed programme budget for 2000-2001 be transferred from section 5 (Peacekeeping operations) to section 3 (Political affairs).

Annex

Revised version of annex III, section A, of document A/C.5/54/40

A. Standard and mission-specific cost parameters

(United States dollars)

	Initial proposed programme budget rates for 2000-2001	*Proposed estimates*				*Explanation*
		Average strength	*Unit or daily cost*	*Monthly cost*	*Total cost*	
1. Staffing						
International staff	14	30				15 per cent turnover factor for new staff.
Local staff	15	18				
Salaries	2 412.50			2 412.50		
Common staff costs	1 516.66			1 516.66		
Consultants						
Fees	5 000			5 000		
Travel (round trip)	4 828			5 930		
DSA (first 30 days)	96		96			
DSA (after 30 days)	64		64			
2. Travel costs (round trip)						
(a) Air						
New York	4 500		5 100			
Geneva	1 500		1 000			
(b) Daily subsistence						Plus supplement of 40 per cent for USG and 15 per cent for Director Level.
New York	275		275			
Geneva			316			
Jerusalem/West Bank	205		205			
Jordan			143			
Lebanon			144			
Syrian Arab Republic			145			
Egypt			153			
3. Premises						
(a) Rental						
Gaza Office	5 100					
Gaza Parking Space	1 000					
Additional Office				4 000		

	Initial proposed programme budget rates for 2000-2001	Proposed estimates				Explanation
		Average strength	Unit or daily cost	Monthly cost	Total cost	
(b) Minor alterations	9 300				21 700	Previous provisions for minor alterations were for painting of office and expansion of radio room and administration office space to make them more secure and functional. Current provisions relate to reconfiguration of offices in new rented premises in respect of new staff requested.
(c) Maintenance supplies	500			500		
(d) Maintenance services	1 200			600		Excluding $800 per month previously required for the maintenance of gardens at the UNSCO compound.
(e) Utilities	1 900			2 000		Reflecting anticipated new contractual arrangements and information concerning what is to be included in the contract for the new rented premises; unit rate increased by $100.
4. Transport operations						
Maintenance of vehicles	1 450			1 200		Previous estimates relate to 19 vehicles and 1 generator. Of the 19 vehicles, 11 are old, thus requiring more repairs and spare parts. Current provisions are for 12 new vehicles, which will need less maintenance.
Petrol, oil and lubricants						
Gasoline	0.30		0.30			Estimated annual consumption for gasoline and gas oil is 10,000 and 20,000 respectively, compared to 20,000 and 30,000, respectively, in previous submission.
Gas oil	0.27		0.27			
Insurance (per vehicle per annum)	825		825			Worldwide third party liability.
5. Commercial						
(a) Communications, spare parts, supplies and maintenance	44 000			10 000		Spare parts for satellite ($20,000) are not included in the PBI estimates, as well as other miscellaneous telecommunications supplies, such as hardware, tools, radio spare parts, heavy batteries and electronic parts ($14,000), which were provided in initial estimates.

	Initial proposed programme budget rates for 2000-2001	Proposed estimates				Explanation
		Average strength	Unit or daily cost	Monthly cost	Total cost	
(b) Commercial communications	7 000			2 000		Estimates include only long-distance telephone calls and facsimile transmission and exclude all other expenditures linked with other commercial communications costs. No need for pro-rata increase due to additional staff.
6. Supplies and services						
(a) Miscellaneous services	1 100			400		Excluding cost of maintenance of systems ($700 per month), i.e., payroll, reality, sun system, progen, reality, newsfeed and lotus notes. Fixed cost not directly linked to additional staff but for systems of office as a whole.
(b) Official hospitality	725			125		Each for Jordan, Lebanon and Syrian Arab Republic. Provisions in proposed programme budget include official functions for meetings of Local Aid Coordination Committee (50 people monthly at $300 per event); Joint Liaison Committee (30 people monthly, $200 per event); United Nations Coordination Committee (20 people monthly, $100 per event); and various sectorial working groups (10 people annually at $50 per event).
(c) Miscellaneous supplies	6 500			2 500		Proposed estimates exclude reproduction, kitchen and other operational supplies, and subscriptions and standing orders.